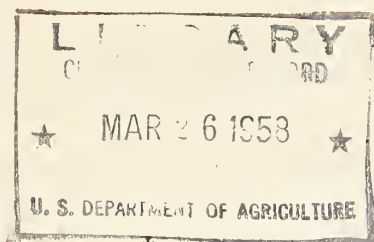


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February 1958



³
THE AGRICULTURAL SITUATION

IN EASTERN EUROPE

I. EAST GERMANY

² U.S. Foreign Agricultural Service //

UNITED STATES DEPARTMENT OF AGRICULTURE

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Agriculture in East Germany lags behind the rest of the economy. While industrial production, in spite of many handicaps, has far surpassed the prewar level, gross agricultural output in 1955-56 may be estimated at 9 percent below prewar. With population about 9 percent larger than before the war, per capita food production was only about 83 percent of what it had been in the past.

The importance of agriculture in the area's economy has declined. Agriculture's share in the gross national product fell from 16.5 percent to 10.5 percent between 1950 and 1956. Agricultural manpower as a proportion of the total labor force has decreased from about 25 percent in 1950 to about 20.6 percent in 1956.

A decline in the agricultural labor force and diminishing importance of farming in the national economy do not necessarily indicate unfavorable economic trends and may even mean progress. However, under the conditions prevailing in East Germany they signify not only further industrial expansion; they also imply stagnation or even retrogression in agriculture. These developments are a corollary of the profound changes which the agriculture of this area has undergone as a result of the revolutionary transformation of the farming system.

Changes in Land Tenure

Among the institutional changes which have occurred since prewar times, those affecting the conditions of land tenure are the most important. In the past, medium-sized farms (20-100 hectares) and large farms (100 hectares and more) formed the backbone of the agricultural system, supplying the larger part of the marketable output. The land reform of 1945-46 abolished private ownership of large farms. Moreover, smaller farms belonging to former Nazi officials and some other land were confiscated in the course of this reform. A large proportion of the confiscated farm land was divided and redistributed among agricultural laborers, small farmers, and refugees from the east; another part was retained by the state.

The land reform was only the beginning of further changes in land tenure. After the land reform proper had been completed, private farms continued to decline in size. Roughly one-third of the newly created farms were again abandoned for lack of equipment, buildings, and livestock.

* Soviet Zone of Occupation of Germany

Many of the old established farmers, unable to meet the onerous demands of the state, also abandoned their farms and fled to the West. Moreover, farmers considered as "kulaks" or "capitalists" often subdivided their farms among family members in the hope that smaller farms would be better treated than larger ones. The decline in size of private farms was paralleled by the growth of large socialized farms which embraced by 1956 nearly one-third of all farm land.

The net result of all these changes was a marked decline in the area of private farms of the size group 20-100 hectares. Before the war, these farms included about 31 percent of all farmland, but by 1956 not more than about 12 percent. The proportion of farmland in farms below 20 hectares rose from about 40 percent before the war to about 57 percent in 1956. Socialized farms covered slightly more land than the former large farms of over 100 hectares. Thus there had been a shift towards farming in smaller units, which could not fail to affect the pattern of production.

Collectivization.-- While the first step toward socialization was taken during the 1945-46 land reform, when state farms were created out of the land retained by the state, collectivization did not begin until the middle of 1952. At first, the practice of collectivization was the same as elsewhere, namely the forced pooling of individual farms. The farmers pooled their land, to which the state would occasionally add land of its own, that is, land confiscated during the land reform or, later on, from "kulaks". But gradually collectivization assumed a special character in East Germany, quite different from that in other Communist countries.

East Germany -- unlike other Communist countries of Eastern Europe -- forms part of a larger national unit free of Communist rule. This fact has an important bearing on the policy of socialization. Persecuted peasants have, in most cases, the opportunity of escaping to West Germany. Since about 1950, the peasant exodus, and consequently the number of abandoned farms, have assumed large proportions. The authorities, anxious to prevent land from remaining idle, turned this abandoned land over to collectives. Collectivization became in this way more and more, though not exclusively, a process of taking care of abandoned land. Thus, of the 1,200,000 hectares of farm land collectively tilled in 1955, more than half has been contributed by the state.

Yet collectivization, for lack of suitable manpower, cannot proceed fast enough to absorb all the abandoned land. Of the 522,000 hectares which were by 1956 in public hands, about 45 percent were administrated by local authorities and other public bodies, only 286,000 hectares were organized as state farms. In 1956, private farms, in spite of all efforts to diminish their importance, held about 70 percent of the agricultural area and still formed the basis of agricultural production.

The socialized sector was composed as follows: State farms ("Volkseigene Gueter", VEG,) with an average size of 516 hectares, covered about 4.5 percent of the farm area. These farms are largely composed of former "Junker" estates. About two-thirds of them are engaged in mixed farming, the remainder in specialized fields of production, such as seed propagation, livestock breeding, and commercial gardening. With about 30 percent of their plowland devoted to seed propagation, they are the main suppliers of seed.

Collectives ("Landwirtschaftliche Produktionsgemeinschaften", LPG), with an average size of about 222 hectares, included 22.3 percent of the farm land. They are of three types: Type I requires collective ownership of plowland only, type II that of plowland, draft animals and equipment, with private ownership and utilization of other livestock as well as pastures and meadows. Type III which is the most numerous, entails complete collectivization of all means of production, except for a private plot of about half a hectare.

Publicly-owned farms other than state farms -- largely locally administrated -- are comparatively small, averaging about 15 hectares. In 1956, they included only 3.6 percent of all agricultural land. Most of them are in a neglected state and badly managed.

Conditions of land tenure, 1956

Size and kind of farm	Number	Agricultural area (1,000 hectares)
Private farms:		
Below 20 hectares	715,340	3,726.1
Above 20 hectares	25,178	769.7
Total	740,518	4,495.7
Socialized farms:		
Collectives <u>1/</u>	6,270	1,394.8
State farms	555	286.4
Other public farms <u>2/</u>	15,316	236.1
Total	22,141	1,917.3
Grand total <u>1/</u>	871,366	6,479.7

1/ 108,707 private plots of members of collectives with an area of 66,500 hectares, are excluded from the data on collectives, but included in the grand total.

2/ including 13,000 hectares of church land.

Source: Statistische Praxis, Vol. 12, No. 2, Berlin, 1957.

Machine-Tractor-Stations--Among the institutional changes, though not pertaining to land tenure, the formation of so-called Machine-Tractor Stations (MTS), should be mentioned. The MTS are an integral part of socialized agriculture. As centers of mechanical equipment, they provide most of the technical services on collectives and, to a lesser extent, on private farms. Born of the necessity to use the scarce equipment of the early postwar years in the most efficient way, Machine-Tractor Stations have now a quasi-monopoly for mechanical services to collectives and private farms. The dependence of these farms on state control and supervision is thus enhanced.

Land Utilization

Changes in the structure of land tenure were accompanied by changes in land utilization. Although the new pattern of land use does not result only from the trend toward smaller private farms, there can be little doubt that it was influenced by it.

By 1956, the area of plowland was reportedly only slightly below that of 1938. However, the area sown to grain was almost 19 percent smaller, that of breadgrains 15 percent, and that of feedgrains 24 percent. The area under wheat had declined by 36 percent. Potatoes and sugar beets, the two other main crops next to grain, occupy today approximately as much land as before the war, but the area under fodder field crops (alfalfa, seradella, clover) and, above all, that under oil and fiber crops have greatly increased. This new cropping pattern by itself does not reflect a decline in the intensity of farming, but represents almost entirely a shift toward more intensive cultivation. Yet under East German conditions that does not mean a shift toward more productive farming.

Land utilization 1938 and 1956
(Sown area in 1,000 hectares)

Crop	1938	1956
Bread grains	1,781.6	1,513.1
Feed grains	1,278.1	972.3
Total grains	3,059.7	2,485.4
Potatoes	808.6	820.4
Sugar beets	225.7	224.5
Oil and fiber crops	38.5	187.6
Feed crops ^{4/}	875.9	1,101.7
Vegetables	41.3	72.7
Other	42.7	54.9
Total	5,092.4	4,947.2

^{4/} Fodder root crops, fodder field crops, fodder pulses including edible.
Sources: Kramer, M. Die Landwirtschaft in der Sowjetischen Besatzungszone, Bundesministerium fuer gesamtdeutsche Fragen, Bonn, 1953.
Statistische Praxis, op. cit.

Labor

If the total crop land has changed but little since prewar times, the different uses to which it is put today require a higher labor input, since the crops with increased area are generally more labor intensive than those of which the area has diminished.

By 1956, about 1.7 million persons were officially reported as active in agriculture, or approximately the same number as on the eve of World War II. Nevertheless, there is a labor shortage in agriculture. The present labor force has become insufficient to cope with the larger tasks resulting not only from more intensive crop cultivation, but also from a much larger livestock population. Moreover, farm labor at present is also less efficient because it is overaged, less skilled, and badly distributed.

Capital

Lack of data prevents a comparison of the present capital intensity of agricultural production with what it was before the war. However, certain partial indicators may be taken to show the changes which have taken place.

Equipment. -- The number of tractors, which amounted to an estimated 20,000 before the war, was reported at 35,700 in 1955. That means one tractor for about 180 hectares of farm land, as compared to one for about 333 hectares before the war. But total draft power appears to have diminished; for the decline in horse numbers by about 147,000 has not been compensated by the growth in tractor capacity. Fragmentary official statistics tend to indicate that the stock of other farm equipment is, by and large, equal to prewar, but reports -- unofficial and official -- from East Germany speak of shortages of equipment. Even simple tools are said to be in short supply. Also, farmers cannot avail themselves of the existing equipment as easily as in prewar times, nor is the equipment as efficiently used. This is due to several factors, such as the existence of the MTS whose services are very unsatisfactory; political priorities entailing that MTS services be made available to private farmers on a discriminatory basis; and the low quality of equipment as well as the badly organized supply of spare parts, which incapacitates machinery for prolonged periods in cases of breakdown.

Fertilizers. -- The supply of commercial fertilizers in comparison to prewar is shown by the following figures:

Consumption of commercial fertilizers 1938-39 and 1955-56

(Kilograms of pure nutrients per hectare of farm land)

Period	N	P ₂ O ₅	K ₂ O
1938-39	32.8	27.3	48.7
1955-56	30.8	23.5	70.7

Source: Statistisches Jahrbuch der Deutschen Demokratischen Republik 1956, Vol. II, Berlin, 1957

Total fertilizer consumption in 1956 was above prewar levels, but present requirements are by no means met. Larger quantities of one type do not compensate for smaller quantities of another. Individual kinds of fertilizers are neither supplied in the same proportion as before the war, nor do they correspond to present needs. Moreover, during the last war years, and particularly during the early postwar years, supplies were extremely low and the soil became impoverished. Equally important is the need for fertilizers of certain soils due to the increased cultivation of more intensive crops. Thus the great fluctuations of root crop yields are blamed on the lack of fertilizers.

According to East German sources, about 31 percent of the soils are greatly deficient in lime, 50 percent badly in need of phosphates, and 37 percent poor in potassium. The supply of nitrogen fertilizers as a whole is least unsatisfactory. Scarcities of phosphates are often aggravated due to dependence on not always reliable foreign sources of supply; while more potassium is apparently exported than warranted by domestic needs.

Also stable manure is not available in sufficient quantities -- particularly on socialized farms, which keep much less livestock than private farms. A comparison of the consumption of manure, which refers, however, only to land under root crops and vegetables, is revealing: While the requirements of all farms were covered to about 96 percent, those of state farms were met only to 77 percent, and those of collectives and other public farms only to 70 percent. True, the socialized farms consume proportionally about one-half more of commercial fertilizers than private farms, but that does not offset the lack of stable manure.

Rural construction.--The state of agricultural buildings is naturally of great importance to agriculture. Not only was war damage to farm buildings heavier in East Germany than in West Germany, but the need for rural construction in the postwar period was also greater on two other counts: First, the new farms created during the land reform from larger holdings often lacked buildings and therefore required extensive new constructions; and second, the consolidation of holdings in collectives demands extensive adjustments of rural buildings. Although about 30,000 new farm houses were built between 1951 and 1955, it is officially conceded that so far the rural construction program has failed.

Production

Production estimates are not easily established because the original statistics are often exaggerated, incomplete, and contradictory. Crop data are given in terms of biological yields (Rohertraege), which must

be converted into barn yields to be comparable with prewar yield data and data for other countries. Data on the output of livestock products neither tally with the official consumption and trade data, nor are they consistent in other respects. Still, it is possible to arrive at reasonable estimates as to the output of the most important products and thus construe indices of production.

Taking the prewar level (1935-38) as 100, agricultural output for 1954-56 may be estimated at 89 (gross total), 100 (gross livestock), 85 (net total), and 95 (net livestock), respectively.

Two points deserve special comment. Even where the index is near or at the prewar level, per capita production is still below prewar because of the larger population. On the other hand, it is remarkable that livestock output has increased faster than total output.

While the combined output of the six principal crops (wheat, rye, barley, oats, potatoes, and sugar beets) during 1954-56 fell some 25 percent short of prewar, the output of the principal livestock products appears to have been the same as during 1935-38. However, total livestock numbers (in terms of livestock units) in 1956 were about 10 percent higher than in 1938, hog numbers 45 percent higher. Hence, livestock is now less efficiently utilized than before the war, since it requires more animals to yield the same amount of product than in the past.

Feed is in short supply, and the present level of livestock production was attained only with the help of feed imports. Particularly the lack of high-protein feeds makes for inefficient feeding. Thus the turnover of slaughter animals has declined, since animals must be fed for a longer period to reach slaughter maturity.

Productivity

The general decline in agricultural productivity may be gauged from the following examples:

Crop yields per hectare (in metric quintals) 1/

	<u>1934-38</u>	<u>1954-56</u>
Wheat	27.1	23.2
Rye	18.8	17.3
Barley	25.7	21.5
Oats	23.6	18.9
All grains	22.7	19.2
Potatoes	190.2	150.0
Sugar beets	290.4	222.7

Average milk yield per cow(in kilograms per cow) 2/

	<u>1938-39</u>	<u>1954-56</u>
	2,580	2,330
Estimated output per person active in agriculture		
	<u>1935-38</u>	<u>1954-56</u>
Gross output	100	85
Net output	100	81

1/ The officially given figures on prewar yields of grains and potatoes were increased by 10 percent in accordance with the recent West German re-evaluation of German prewar statistics. Postwar yields are estimated on the basis of official sources by converting from biological to barn yields.

2/ 1938-39 from Kramer, op. cit.; 1954-56 estimated.

Agricultural Policies

Socialization.--East Germany's socialization policy is somewhat ambiguous. Although further collectivization is one of the avowed policy aims, the desire to see an ever larger number of farms collectivized is restrained by the realization that increased pressure on private farmers to join collectives will only result in a larger exodus of farmers from the Soviet Zone to West Germany. Apart from the fear that this would lead to further depletion of manpower, consideration of the political reaction in West Germany to harsh measures against the farmers also dampens the collectivization drive. Nevertheless, collectivization has not been halted.

During the last months of 1956, under the influence of the events in Hungary and Poland, the authorities seem to have considered at least temporary suspension of collectivization. However, the intention to continue collectivization was soon re-affirmed; but indirect concessions could not be avoided. Appeals for collectivization now stress the desirability of creating so-called work cooperatives (Arbeitsgemeinschaften), a form of peasant cooperation compatible with private property. (By the end of 1956, there existed, reportedly, some 10,000 of these cooperatives, including about 40,000 farms). Needless to say, these work cooperatives are viewed by the authorities as preparatory steps to collectives. Added emphasis has also been laid on the advantages of joining collectives of the lowest type, wherein only part of the members' property is pooled.

Prices and marketing.--The function of prices, though more limited than in the past, is still of great importance in regulating supplies. Producer

prices are officially controlled. In principle, there exist four sets of prices depending on whether commodities are marketed in the form of compulsory delivery quotas, excess quota sales, contract sales -- all three of them are sales to the state -- or freely on the open market. The greater part of the principal commodities is subject to quotas. Prices for compulsory deliveries carry the greatest weight in farm income, although the actual price received by the farmer is often an average resulting from the prices received under the different forms his product is marketed.

The prices for compulsory deliveries of all grains by 1951-52 were barely higher than before the war, in spite of the general price inflation which had taken place since 1938-39. It is true the prices for excess deliveries of grains were much above the prewar level, thus reflecting somewhat the rise in cost, but these excess sales represented only small proportions of the marketable product. On the other hand, prices for compulsory deliveries of most livestock products were far higher than before the war, those of extra-quota and contract sales still higher. These price policies had the effect of discouraging grain production for the market and of stimulating the growth of livestock herds. Thus, while the rye-hog ratio was 7:1 for compulsory delivery prices, it was 21:1 at the extra-quota prices.

Since 1955, some price adjustments have been made. A few examples of the prices ruling in 1956 are given below. The difference between the prices received for extra-quota sales and those for compulsory deliveries indicate how great a burden the latter are, particularly if one takes into account that only about 4 percent of the grain, 10 percent of the sugar beets, about 46 percent of the hogs, 37 percent of the milk, and 53 percent of the eggs sold to the state fetched the higher price.

Producer prices of selected agricultural commodities in 1956
(DM.E. 1/ per 100 kilograms)

Commodity	Compulsory quotas	Extra-quota sales 2/
Rye	21.00	31.50
Wheat	21.50	43.00
Barley (brewing)	29.00	72.00
Sugar beets	4.50	6.00
Hogs (Class C)	162.00	457.00
Milk	24.00	70.00
Eggs (100 pieces)	13.00	40.00

1/ DM.E. = Deutsche Mark East. The official exchange rate with the U. S. dollar is 1 DM.E. = \$0.45. On the basis of the more realistic exchange rate with the West German Mark it would be equivalent to about \$0.06.

2/ At the beginning of 1956. In July of 1956 the prices for extra-quota sales of grain have been raised.

Sources: "Der Freie Bauer" and "Bauernecho", various issues, 1955 & 1956.

Up to 1956, production on individual farms was centrally planned. Farms were assigned production tasks stipulating the acreage to be devoted to individual crops and the number and kind of livestock to be kept. This system has been modified, and livestock as well as some crops are now exempt from production quotas. However, the individual producer has gained little from this change, since he remains subject to compulsory delivery quotas to which the pattern of production must conform. Delivery quotas of crops are assessed per acre of plowland, and those of livestock or livestock products per acre of the total agricultural area of individual farms. Collectives enjoy special advantages. Although the collectives are, on the average, much larger than the largest private farms, their delivery norms are lower than those of small private farms of the size class 5-10 hectares. In this way they are to be enabled to sell more of their products at the relatively high prices obtainable for extra-quota sales.

Delivery norms for private farms
(Quotas for farms of 5-10 hectares = 100)

Product	Size class of farms in hectares of farmland							
	1-2	2-5	5-10	10-15	15-20	20-35	35-50	50 and more
Grain	41	65	100	135	159	183	195	196
Potatoes	51	75	100	128	147	155	165	163
Winter oil crops	67	88	100	107	107	106	107	110
Livestock	68	86	100	104	105	106	106	107
Milk	77	97	100	108	109	110	110	110
Eggs	84	93	100	99	100	101	100	101

Source: Kramer, M. Heyn, G. Merkel, K. Die Landwirtschaft in der Sowjetischen Besatzungszone, Bundesministerium fuer gesamtdeutsche Fragen, Bonn, 1957.

Credit and taxation.--Credit and tax policies also favor socialized enterprises. Credit is more readily accessible to smaller private farms than it is to larger, not to speak of the extraordinary credit facilities enjoyed by collectives.

Short term credits to private farmers usually carry a rate of interest of 5 percent. The amount of these credits depends on the expected income from compulsory deliveries. Small farms of up to 5 hectares may obtain credits equivalent to 90 percent of the expected proceeds from quota deliveries. Private farms of between 5-20 hectares may receive such credits to the maximum extent of 70 percent of the expected income from obligatory deliveries, while larger private farms may be granted credits

equivalent to only 50 percent of the anticipated proceeds from quota deliveries.

Intermediate term credits repayable within 5 years usually carry a rate of interest of 4-1/2 percent. They are granted for the acquisition of various capital goods, (equipment, livestock) and are equally discriminatory. While small private farms may obtain such credits in amounts equal to 70 percent of the purchase price of their investment, medium-sized farms may receive advances only to the limit of 60 percent and large farms only up to 50 percent of the value of their investment.

Collectives receive short term credits at a rate of 2 percent and intermediate or long term credits at a rate of 3 percent. Repayment is in many instances either indefinitely postponed or entirely cancelled. The total indebtedness of collectives at the end of 1956 stood reportedly at 1.8 billion DM.E., an amount which may be compared with the total agricultural sales proceeds of all farms in 1954. These amounted to DM.E. 5.081 billion, according to Kramer. 1/

Farmers are subject to income, turnover, property and land taxes. The tax burden does not appear to be high, as may be seen from the following table:

Size of farms	Taxes as percentages of sales proceeds (per hectare of farmland)
1-5 hectares	3.1
5-10 hectares	2.5
10-15 hectares	3.3
20 and over	5.9

Source: Statistisches Jahrbuch, op. cit.

Collectives naturally enjoy special tax advantages. On the tax rates applicable they receive a 25-percent reduction on income tax, a 75-percent reduction on the turnover tax, a 50-percent reduction on the property tax, and a 25-percent reduction on the land tax. Upon founding, they remain

1/ Kramer, Op. cit. 1957

tax exempt for 2 years. If economically weak, as most of them are, these exemptions are extended, so that in practice most of them appear to be tax free. State farms are subject to a single turnover tax, like other socialized enterprises in industry.

Food Situation

East Germany is the only European country where food rationing is still in force. The food distribution system consists in the rationing of some basic foods, such as sugar, meat, milk, fats, eggs, at low prices, and the additional free sale at much higher prices of these food-stuffs. Thus there is physical rationing as well as rationing by the purse.

Although recurrent shortages often result from faulty distribution, the main cause of food scarcity lies undoubtedly in low output insufficiently supplemented by imports. During 1955-56, the average food intake in terms of calories was less, and the quality of the diet was worse, than before the war. It was hoped that by 1957 production would be high enough and imports large enough to abolish rationing. Neither of these conditions has so far materialized, and the abolition of rationing has had to be indefinitely postponed.

Estimated food balance, 1935-38
(excluding alcoholic beverages)

Product	Supply		Non-food uses				Supply for food	
	Production	Net trade	Total supply	Seed and waste	Feed : uses	Industrial : uses	Total : Per year	Total : Per day
Wheat and rye	4,100	-	1/3,350	392	697	21	1,110	2/1,753
Rice, milled	-	+ 40	40	-	-	-	-	40 2.5
Other grains	3,315	- 650	2,635	287	1,989	314	2,590	30 2/1.8
Total grain	7,415	- 1,090	1/6,025	679	2,686	335	3,700	1,823 113.9
Sugar, refined	785	- 300	400 3/	-	-	-	400	25.0 265
Potatoes	15,700	- 450	15,250	3,250	8,025	925	12,200	3,050 140.6
Dry legumes	70	-	70	15	20	-	35	35 2.2
Other vegetables	1,100	- 130	970	220	-	-	220	750 46.9
Fruit (in terms of fresh)	500	+ 275	775	75	-	-	75	700 43.8
Meat (carcass weight)	680	+ 80	760	-	-	-	-	760 47.5
Fish (landed weight)	45	+ 145	190	-	10	-	10	180 11.2
Fats & oils (fat content)	225	+ 209	434	-	-	98	98	336 21.0
Cheese	60	+ 10	70	-	-	-	-	70 4.4
Whole milk	5,200	+ 100	5,300	-	550	2,725 1/4	3,275 5/2	126.6 220
Eggs	75	+ 35	110	-	-	-	-	110 6.9

Total consumption

2,970

- 1/ After deducting 300,000 m.t. for increase in stock
- 2/ Extraction rates: 72 percent for breadgrains, 66 percent for other grains
- 3/ After deducting 85,000 m.t. for increase in stock.
- 4/ Milk used in butter and cheese production.
- 5/ For direct human consumption as fresh, dried and canned (in terms of fresh milk).

Population: 18,000,000

Estimated food balance, 1955-56
(excluding alcoholic beverages)

	Supply			Non food uses			Supply for food		
	Production	Net trade	Total supply	Seed and waste	Feed	Industrial uses	Total	Per capita	
		1/		1,000 m.t.				grams	Cal-
								2/	ories
Wheat and rye	2,990	+	795	3,785	370	25	1,185	2,080	115.5
Rice, unmilled	-	+	50	50	-	-	-	50	2.8
Other grains	2,250	+	575	2,825	270	435	2,775	32	1.8
Total Grain	5,240	+	1,420	6,660	640	460	3,960	2,162	120.1
Sugar, refined	640	-	200	440	-	-	-	440	24.4
Potatoes	12,100	-	-	12,100	3,140	925	9,040	3,060	170.0
Dry legumes	125	+	20	145	25	90	115	30	1.7
Other vegetables	750	+	50	800	150	-	150	650	36.1
Fruit (in terms of fresh)	450	+	140	590	65	-	65	525	29.1
Meat (carcass weight)	680	/3	-	680	-	-	-	680	37.8
Fish (landed weight)	65	+	110	175	-	-	-	175	9.7
Fats & oils (fat content)	270	+	200	4/ 455	-	120	120	325	18.6
Cheese	50	+	10	60	-	-	-	60	3.3
Whole milk	5,250	-	-	5,250	-	525	2,740	5/ 525	1,985/6
Eggs	80	+	20	100	-	-	-	100	5.5
Total consumption									2,755

1/ Trade data are partly estimated as residuals after total requirements have been established. On this account, and also because they refer to the agricultural year, they diverge from the trade figures for the calendar year 1956.

2/ Extraction rates: 80 percent for breadgrains, 64 percent for other grains.

3/ About 90,000 m.t. of reported meat imports have not been allocated. Available evidence suggests that per capita meat consumption is below 40 kilograms. This means either that meat production is overestimated or that meat has been re-exported or stocked.

4/ After deducting 15,000 m.t. for increase in stock.

5/ Milk used in butter and cheese production.

6/ For direct human consumption as fresh, dried or canned (in terms of fresh milk).

Foreign Trade

Before the war, the area which now forms East Germany was a net exporter of food. Today, it is a net importer on a large scale. The value of all agricultural imports in 1955-56 amounted at least to \$500,000,000. Before the war, East Germany was a net exporter of grains, potatoes, sugar, and vegetables -- and a net importer of meat, fats and oils, dairy products, eggs as well as cotton and tobacco. Throughout the postwar years, East Germany has had to import significant amounts of practically all agricultural products, except sugar.

While East Germany was able to export about 15 percent of the domestic grain output during 1935-38, the situation was entirely reversed after the war. In 1955-56, for instance, net grain imports equalled over 20 percent of the total supply; imported bread grains accounted for almost one-third of the grain available for human consumption.

More than two-thirds of all foreign trade are conducted with the countries of the Communist Bloc, which are also the main foreign sources of agricultural supplies. The Soviet Union is East Germany's principal trade partner and its most important supplier of farm products.

Imports of farm products 1956 1/ (1,000 metric tons)

Product	Quantity	Product	Quantity
Wheat	606	Vegetable oils	85
Rye	481	Butter	30
Barley	365	Cheese	10
Oats	87	Animal fats	23
Corn	145	Vegetables	57
Rice	54	Fruit	119
Oilseeds	269	Pulses	21
		Eggs	10
		Tobacco	26
		Cotton	91
		Meat	95

1/ Data are based on Statistische Praxis, Vol. XII, No. 5, Berlin, 1957 and other sources. Prior to 1956 foreign trade data have been only sporadically published.

Outlook

The long-term plans for the period 1956-60, prepared before the political upheavals in Poland and Hungary, appear to have undergone certain changes since then, but the principal targets have apparently remained unchanged.

Total agricultural production by 1960 is to exceed the 1955 level by 22 percent. To this end, fixed investment in agriculture is to be almost tripled, and its share in total investment is to be 12 percent as against 8 percent during the period 1951-55. Fertilizer supplies are to increase by about 30 percent, the number of tractors by over 22 percent; and a considerable increase in other farm equipment is foreseen. In this way, it is hoped, will it be possible to raise crop yields, particularly those of grains, sugar beets and potatoes. Livestock production is to increase by the same percentage as total agricultural output, namely by 22 percent. Some reports even speak of 26 percent. 1/

Planning in agriculture naturally must proceed with less control over the allocation of resources and over production itself than in other branches of the economy. Hence the agricultural plan targets are largely guiding aims rather than ends which are likely to be attained. Yet they reflect the designs of the policy makers, namely continuous emphasis on intensive production and particularly on livestock production entailing a further increase in feed output.

The only part of the plan which might well be fulfilled relates to the allocation of industrial goods (fertilizers, machinery, equipment) to agriculture. However, the chances are dim for such policy changes as might create a climate favorable to take full advantage of the progress that could be achieved with the help of these inputs.

Even if the overall output goals were reached by 1960, total production would be still not far above the prewar level. In this case, and still more, if the goals are not attained, heavy dependence on agricultural imports will continue. Indeed, the plan foresees a considerable increase of agricultural imports by 1960. Thus East Germany in the foreseeable future will remain an important market for agricultural products.

1/ The long-term development plans have again been revised during recent months. See G. Ulbricht's, "Speech at the 33rd Plenum of the SED Central Committee" Neues Deutschland, Oct. 20, 1957.

